

## Message Text

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ACTION EB-08

INFO OCT-01 ARA-06 ISO-00 AGRE-00 TRSE-00 COME-00  
CIAE-00 INR-07 NSAE-00 STR-04 FRB-03 OMB-01 XMB-02  
AID-05 /037 W  
-----070134Z 087000 /14

R 061548Z APR 77

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 1391

INFO AMEMBASSY SAN JOSE

LIMITED OFFICIAL USE PANAMA 2451

E.O. 11652: N/A

TAGS: EAGR, EINV, PN

SUBJECT: SUGAR: FINANCING OF STATE-OWNED LA VICTORIA SUGAR CORP.

REF: PANAMA A-038

1. INFORMED SOURCE HAS ADVISED EMBASSY OFFICER THAT A REPRESENTATIVE OF THE GOVERNMENT-OWNED LA VICTORIA SUGAR CORP. WILL VISIT THE UNITED STATES IN THE NEXT FEW DAYS FOR THE PURPOSE OF ARRANGING A LOAN OF \$10 MILLION THROUGH THE CITIBANK AND/OR THE FIRST NATIONAL BANK OF CHICAGO. PURPOSE OF LOAN IS SAID TO BE TO MEET AMORTIZATION PAYMENTS ON SEVERAL EXISTING LOANS. THEREFORE, AS THIS IS NOT MONEY WHICH CAN BE IDENTIFIED WITH A NEW PROJECT, LA VICTORIA IS TURNING TO THE PRIVATE BANKING SECTOR RATHER THAN APPROACHING THE INTERNATIONAL FINANCIAL INSTITUTIONS, WHICH THEY WOULD NOT EXPECT TO BE INTERESTED.

2. EMBASSY NOTES THAT THE PRESENT DIRECTOR OF THE CORPORATION, MIGUEL A. SANCHIZ, WHO UNTIL JANUARY 1977 WAS FINANCE MINISTER, HAD EARLIER SERVED AS AN OFFICER OF THE PANAMA BRANCH OFFICE OF THE CITIBANK.

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3. COMMENT: WORD OF THIS EFFORT TO OBTAIN A LOAN COMES AS NO SURPRISE, AS THE FINANCIAL DIFFICULTIES OF THE LA VICTORIA CORPORATION STEMMING FROM DEPRESSED WORLD SUGAR PRICES ON TOP OF EXTENSIVE COMMITMENTS FOR CONSTRUCTION OF NEW FACILITIES ARE WELL-KNOWN. (SEE PP 1 AND 5 OF PANAMA A-038). IF THE \$10 MILLION LOAN GOES THROUGH AS HOPED, IT WILL CERTAINLY EASE LA

VICTORIA'S IMMEDIATE DIFFICULTIES, BUT IT IS NOT A  
PERMANENT SOLUTION TO HER FINANCIAL PROBLEMS.  
JORDEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, LOANS  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977PANAMA02451  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
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**Reference:** 77 PANAMA A-38  
**Retention:** 0  
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**Subject:** SUGAR: FINANCING OF STATE-OWNED LA VICTORIA SUGAR CORP.  
**TAGS:** EAGR, EINV, EIND, PN, LA VICTORIA SUGAR CORP  
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**Review Markings:**  
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